



PRESS RELEASE

AEFFE: Approved Full Year 2015 Results

San Giovanni in Marignano, 10th March 2016 - The Board of Directors of Aeffe SpA approved today the consolidated results for the Full Year 2015. The company, listed on the STAR segment of Borsa Italiana, operates in the luxury sector, with a presence in the prêt-à-porter, footwear and leather goods division under renowned brand names such as Alberta Ferretti, Philosophy di Lorenzo Serafini, Moschino, Pollini, Jeremy Scott and Cédric Charlier.

- **Consolidated revenues of €268.8m, compared to €251.5m in 2014 (+7.0% at current exchange rate)**
- **Ebitda of €19.3m (7.2% on sales), compared to €25.7m in 2014 (10.2% on sales), following the increase in costs incurred to strengthen the visibility of the Group's brands**
- **Net Profit for the Group of €1.5m, compared to a net profit of €2.7m in 2014**
- **Net financial debt of €80.5m, compared to €83.5m as of 31st December 2014, with a €3m improvement**

Consolidated Revenues

In 2015, AEF FE consolidated revenues amounted to €268.8m compared to €251.5m in 2014, with a 7% increase at current exchange rates (+5.1% at constant exchange rates).

Revenues of the prêt-à-porter division amounted to €207.2m, up by 7.8% at current exchange rates and by 5.5% at constant exchange rates compared to 2014.

Revenues of the footwear and leather goods division increased by 11.4% to €95.7m, before interdivisional eliminations.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: *"During 2015 the Group has been strongly committed to outlining growth strategies for the long-term profitability, through investments in key areas, such as brand portfolio, marketing, advertising and retail channel. We positively evaluate objectives achieved so far, both in the prêt-à-porter and accessories segments, which already reflect a greater vitality and the strengthening of our brands positioning in high-potential markets, including Greater China and United States. Despite macroeconomic uncertainty, we are therefore optimistic for the future, in the light of the positive trend registered in the first two months of the year and of the good feedbacks by the latest collections recently presented during the different fashion weeks"*.

Revenues Breakdown by Region

<i>(In thousands of Euro)</i>	FY 15	FY 14	%	%
	Reported	Reported	Change	Change*
Italy	119,753	113,591	5.4%	5.4%
Europe (Italy and Russia excluded)	56,842	55,858	1.8%	0.5%
Russia	9,172	16,614	(44.8%)	(44.8%)
United States	22,248	16,109	38.1%	18.1%
Japan	6,842	7,038	(2.8%)	(2.8%)
Rest of the World	53,967	42,327	27.5%	26.1%
Total	268,825	251,538	6.9%	5.1%

(*) Calculated at constant exchange rates

In 2015, sales in Italy, amounting to 44.5% of consolidated sales, registered a very positive trend compared to 2014, posting a 5.4% increase to €119.7m.

At constant exchange rates, in 2015 sales in Europe, contributing to 21.1% of consolidated sales, increased by 0.5%; in this case the good performance of the main markets was partially offset by the decline reported across Eastern European countries.

The Russian market, representing 3.4% of consolidated sales, declined by 44.8%, solely due to current difficulties of the domestic economic situation, which affected all Group's brands.

Sales in the United States, contributing to 8.3% of consolidated sales, posted in the period a very important growth of 18.1% at constant exchange rates.

Japanese sales, contributing to 2.5% of consolidated sales, registered a 2.8% decrease, due to a slowdown in wholesale channel.

In the Rest of the World, the Group's sales totalled €53.9m, amounting to 20.1% of consolidated sales, recording an increase of 26.1% at constant exchange rates compared to 2014, especially thanks to the excellent performance in Greater China, which posted a 72% growth.

Revenues by distribution channel

<i>(In thousands of Euro)</i>	FY 15	FY 14	%	%
	Reported	Reported	Change	Change*
Wholesale	185,859	170,817	8.8%	7.0%
Retail	74,272	69,816	6.4%	4.2%
Royalties	8,694	10,905	(20.3%)	(20.3%)
Total	268,825	251,538	6.9%	5.1%

(*) Calculated at constant exchange rates

By distribution channel in 2015, wholesale sales grew by 7% at constant exchange rates (+8.8% at current exchange rates), contributing to 69% of consolidated sales.

The sales of our directly-operated stores (DOS) increased by 4.2% at constant exchange rates (+6.4% at current exchange rates) and contributed to 28% of consolidated sales.

Royalty incomes decreased by 20.3% compared to the previous year and represented 3% of consolidated sales. This trend reflects the weak performance registered by the minor licenses under Moschino brand.

Network of Monobrand Stores

DOS	FY 15	FY 14	Franchising	FY 15	FY 14
Europe	47	47	Europe	45	54
United States	3	1	United States	3	3
Asia	11	12	Asia	137	129
Total	61	60	Total	185	186

Operating and Net Result Analysis

In 2015 consolidated Ebitda was equal to €19.3m (with an incidence of 7.2% on consolidated sales), compared to €25.7m in 2014 (10.2% on total sales), with a €6.3m decrease (-24.7%), related to the *prêt-à-porter* division.

In detail, in 2015 Ebitda of the *prêt-à-porter* division amounted to €12.2m (representing 5.9% on sales), compared to €18.6m in 2014 (9.7% on sales), with a €6.4m decrease.

In 2015, the profitability was affected by a series of factors, mainly attributable to long-term strategic initiatives to strengthen the visibility of the group's brands, which have already produced a 14.3% increase of the orders' backlog of the Spring/Summer 2016 collections compared to the corresponding season of 2015.

The main expense items that affected the decrease in marginality in the period were as follows:

- increase in marketing and advertising activities aimed at further enhancing Moschino and Alberta Ferretti brands, along with Philosophy brand's relaunch;
- costs for events dedicated to Moschino brand to promote the new men's collection, which has been produced in house since the launch of Autumn/Winter 2015 season;
- investments for the reorganization of the Moschino boutiques network.

Moreover, significant discounts were granted to Russian customers to support them in the current difficult economic local situation, given the market importance for the Group. Finally, there was a decrease in income from royalties and commissions attributable to Moschino licenses, that need progressive adjustments following to the change in style of Maison Moschino.

In 2015 Ebitda of the footwear and leather goods division was of €7.15m (7.5% on sales), compared to an Ebitda of €7.08m in 2014 (8.2% on sales), with a 1% increase.

Consolidated Ebit was equal to €5.9m, compared to €12m in 2014, with a €6.1m decrease as a reflection of the reduction in Ebitda.

In 2015 there was an important decline of the net financial expenses that amounted to €3m from €5.9m in 2014, with a 48.8% decrease.

Thanks to the significant drop in financial charges, the Profit before taxes for the period partially recovered the reduction in Ebitda to €2.8m, compared to €6.1m in 2014, reporting a €3.3m decrease.

Despite significant investments, the Group posted a Net Profit of €1.5m, compared to the net profit of €2.7m in 2014, with a €1.2m decrease, result obtained thanks to the significant reduction in financial charges and taxes.

Group's Balance Sheet Analysis

Looking at the balance sheet as of 31st December 2015, Shareholders' equity was equal to €131.7m and net financial debt amounted to €80.5m compared to €83.5m as of 31st December 2014. The decrease in net financial debt compared to the end of December 2014 mainly referred to a better management of net working capital and to lower financial expenses.

As of 31st December 2015 operating net working capital amounted to €66.8m (24.8% on sales) compared to €65.7m as of 31st December 2014 (26.1% on sales).

The reduction of the incidence on sales was related to the positive trend of trade receivables and payables in the last quarter of 2015.

Capex in 2015 amounted to €7.1m and was mainly related to maintenance and stores' refurbishment.

Other Information

The Board of Directors of Aeffe SpA has called the annual Shareholder's meeting on 13th April 2016, to discuss and deliberate on (i) the approval of the financial statement for Aeffe SpA for the year ended on December 31, 2015, (ii) the remuneration policy of the company, (iii) the appointment for the Audit relating the period from 2016 to 2024.

The documentation relating to the topics on the Agenda will be available to the public in compliance with the terms and conditions required by the law.

The Shareholders may consult and obtain copies of that documentation that will be available, according to the terms of the law, also on the company's website: www.aeffe.com

Furthermore, the Board of Directors, in its meeting on 10th March 2016, verified the continued independence of the non-executive directors, Marco Salomoni, Sabrina Borocci and Roberto Lugano, pursuant to para. 4 of art. 147-ter of Decree 58/1998, the Code of Self-Regulation for Listed Companies and the Stock Exchange Regulations.

Proposal of the Board of Directors to approve the draft of the 2015 Annual Report for the parent company Aeffe SpA and the allocation of the profit of the year 2015

The Board of Directors also approved the draft of the 2015 Annual Report for the parent company Aeffe SpA. On 13th April 2016 the Board of Directors will propose to the Shareholder's meeting to allocate the profit of the year 2015 amounting to € 918,872 as follows:

- Legal Reserve, €45,944;
- Extraordinary Reserve, € 872,928.

Comments on the main economic-financial data of the Parent Company Aeffe SpA

Revenues of the Parent company Aeffe SpA amounted to €137.4 million, up by 11.5% at current exchange rates compared to 2014.

In 2015 Ebitda was equal to €6.5m (with an incidence of 4.7% of consolidated sales), compared to €6.6m in 2014 (5.3% of total sales). Ebit was substantially in line with 2014 and amounted to €3.9m (2.8% of sales), compared to an Ebit of €3.91m in the previous year.

Net financial expenses significantly decreased amounting to €2.5m compared with €3.7m in 2014, with a €1.2m decrease (-33%).

Thanks to the drop in financial charges, the Profit before taxes for the period reported a €1.2m increase, amounting to €1.4m compared to €0.2m in 2014.

In addition, in 2015 the Parent company Aeffe SpA posted a Net Profit of €0.9m, compared to the net profit of €0.03m in 2014, result mainly obtained thanks to the reduction in financial charges as commented above.

As of 31st December 2015, net financial debt amounted to €77.1m, compared to €73.9m as of 31st December 2014, with a €3.2m increase. The increase in net financial debt was mainly related to deterioration of the operating cash flow due to the trend of collections and payments connected to commercial transactions with other group's companies in the last quarter of the year.

Shareholders' equity was equal to €135m, compared to €133.4m as of 31st December 2014.

Here below attached the Income Statement, the Reclassified Balance Sheet and the Cash Flow Statement for the Group and for the parent company Aeffe SpA.

Full Year 2015 data included in this press release are currently under the activity of the Auditors' company.

Please note also that the Results Presentation at 31st December 2015 is available at the following link:

<http://www.aeffe.com/aeffeHome.php?lang=eng>

It is specified that Consolidated Financial Statement and the Draft of Annual Report of the parent company Aeffe SpA at 31st December 2015 will be available to the public in compliance with the terms and conditions required by the law at the legal seat of Aeffe, on the company's website www.aeffe.com and via the SDIR NIS circuit organized by Borsa Italiana.

"The executive responsible for preparing the company's accounting documentation Marcello Tassinari declares pursuant to paragraph 2 of art. 154 bis of the Consolidate Financial Law, that the accounting

information contained in this document agrees with the underlying documentation, records and accounting entries”.

Contacts:

Investor Relations

AEFFE S.p.A

Annalisa Aldrovandi

+39 0541 965494

annalisa.aldrovandi@aeffe.com

www.aeffe.com

Press Relations

Barabino & Partners

Marina Riva

m.riva@barabino.it

+39 02 72023535

CONSOLIDATED INCOME STATEMENT

(In thousands of Euro)

	FY 15	%	FY 14	%	Change	Change %
Revenues from sales and services	268,825	100.0%	251,538	100.0%	17,287	6.9%
Other revenues and income	5,213	1.9%	4,342	1.7%	872	20.1%
Total Revenues	274,038	101.9%	255,880	101.7%	18,158	7.1%
Total operating costs	(254,695)	(94.7%)	(230,194)	(91.5%)	(24,501)	10.6%
EBITDA	19,343	7.2%	25,686	10.2%	(6,343)	(24.7%)
Total Amortization and Write-downs	(13,459)	(5.0%)	(13,657)	(5.4%)	198	(1.4%)
EBIT	5,884	2.2%	12,029	4.8%	(6,145)	(51.1%)
Total Financial Income /(expenses)	(3,031)	(1.1%)	(5,916)	(2.4%)	2,884	(48.8%)
Profit/(Loss) before taxes	2,853	1.1%	6,113	2.4%	(3,261)	(53.3%)
Taxes	(1,144)	(0.4%)	(2,107)	(0.8%)	963	(45.7%)
Profit/(Loss) Net of taxes	1,709	0.6%	4,006	1.6%	(2,297)	(57.3%)
(Profit)/ Loss attributable to minority shareholders	(187)	(0.1%)	(1,264)	(0.5%)	1,078	(85.2%)
Net Profit/(Loss) for the Group	1,522	0.6%	2,742	1.1%	(1,220)	(44.5%)

CONSOLIDATED RECLASSIFIED BALANCE SHEET

<i>(In thousands of Euro)</i>	FY 15	FY 14
Trade receivables	38,256	36,885
Stock and inventories	89,988	83,867
Trade payables	(61,429)	(55,052)
Operating net working capital	66,816	65,700
Other receivables	33,484	33,413
Other liabilities	(17,979)	(17,444)
Net working capital	82,321	81,668
Tangible fixed assets	63,261	63,771
Intangible fixed assets	122,821	127,927
Investments	132	80
Other long term receivables	4,265	4,701
Fixed assets	190,478	196,479
Post employment benefits	(6,552)	(7,458)
Long term provisions	(1,069)	(2,047)
Assets available for sale	437	437
Liabilities available for sale		
Other long term liabilities	(14,330)	(14,080)
Deferred tax assets	11,089	13,368
Deferred tax liabilities	(32,208)	(36,829)
NET CAPITAL INVESTED	230,167	231,538
Capital issued	25,371	25,371
Other reserves	114,337	115,286
Profits/(Losses) carried-forward	(9,486)	(13,342)
Profit/(Loss) for the period	1,522	2,742
Group share capital and reserves	131,744	130,057
Minority interests	17,884	17,915
Shareholders' equity	149,628	147,972
Short term financial receivables	(1,816)	(1,000)
Liquid assets	(9,993)	(6,692)
Long term financial payables	18,394	12,752
Long term financial receivables	(2,031)	(1,718)
Short term financial payables	75,985	80,224
NET FINANCIAL POSITION	80,539	83,567
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	230,167	231,538

CONSOLIDATED CASH FLOW STATEMENT

(In thousands of Euro)

	FY 15	FY 14
OPENING BALANCE	6,692	7,524
Profit before taxes	2,853	6,113
Amortizations, provisions and depreciations	13,459	13,657
Accruals (availments) of long term provisions and post employment benefits	(1,885)	507
Taxes	(3,596)	(3,584)
Financial incomes and financial charges	3,031	5,916
Change in operating assets and liabilities	(1,097)	(5,651)
NET CASH FLOW FROM OPERATING ACTIVITIES	12,765	16,958
Increase (decrease) in intangible fixed assets	(2,047)	(2,129)
Increase (decrease) in tangible fixed assets	(4,992)	(4,468)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	(51)	(50)
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	(7,090)	(6,647)
Other changes in reserves and profit carried-forward to shareholders'equity	(52)	547
Proceeds (repayment) of financial payments	1,402	(5,723)
Increase (decrease) in long term financial receivables	(693)	(51)
Financial incomes and financial charges	(3,031)	(5,916)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	(2,374)	(11,143)
CLOSING BALANCE	9,993	6,692

AEFFE S.P.A. INCOME STATEMENT*(In thousands of Euro)*

	FY 15	%	FY 14	%	Change	Change %
Revenues from sales and services	137,380	100.0%	123,261	100.0%	14,119	11.5%
Other revenues and income	6,689	4.9%	5,453	4.4%	1,236	22.7%
Total Revenues	144,069	104.9%	128,714	104.4%	15,355	11.9%
Total operating costs	(137,560)	(100.1%)	(122,128)	(99.1%)	(15,432)	12.6%
EBITDA	6,510	4.7%	6,587	5.3%	(77)	(1.2%)
Total Amortization and Write-downs	(2,606)	(1.9%)	(2,672)	(2.2%)	65	(2.4%)
EBIT	3,903	2.8%	3,915	3.2%	(12)	(0.3%)
Total Financial Income /(expenses)	(2,461)	(1.8%)	(3,693)	(3.0%)	1,232	(33.4%)
Profit/(Loss) before taxes	1,443	1.1%	222	0.2%	1,221	549.2%
Taxes	(524)	(0.4%)	(188)	(0.2%)	(336)	179.4%
Profit/(Loss) Net of taxes	919	0.7%	35	0.0%	884	2,545.1%

AEFFE S.P.A. RECLASSIFIED BALANCE SHEET

<i>(In thousands of Euro)</i>	FY 15	FY 14
Trade receivables	59,353	57,743
Stock and inventories	30,920	28,144
Trade payables	(70,444)	(73,067)
Operating net working capital	19,829	12,820
Other receivables	17,070	19,607
Other liabilities	(7,243)	(6,713)
Net working capital	29,656	25,714
Tangible fixed assets	43,291	43,850
Intangible fixed assets	3,887	4,046
Investments	105,937	105,098
Other long term receivables	40,929	41,650
Fixed assets	194,043	194,645
Post employment benefits	(4,293)	(4,697)
Long term provisions	(311)	(367)
Other long term liabilities	(1,316)	(2,452)
Deferred tax assets	1,687	2,195
Deferred tax liabilities	(7,350)	(7,680)
NET CAPITAL INVESTED	212,117	207,357
Capital issued	25,371	25,371
Other reserves	106,402	105,868
Profits/(Losses) carried-forward	2,348	2,175
Profit/(Loss) for the period	919	35
Shareholders' equity	135,040	133,449
Liquid assets	(1,340)	(579)
Long term financial payables	17,918	12,680
Short term financial payables	60,498	61,807
NET FINANCIAL POSITION	77,076	73,908
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	212,117	207,357

AEFFE S.P.A. CASH FLOW STATEMENT*(In thousands of Euro)*

	FY 15	FY 14
OPENING BALANCE	578	309
Result before taxes	1,443	222
Amortizations, provisions and depreciations	2,606	2,672
Accruals (availments) of long term provisions and post employment benefits	(460)	284
Taxes	(669)	(880)
Financial incomes and financial charges	2,461	3,693
Change in operating assets and liabilities	(5,056)	6,571
NET CASH FLOW FROM OPERATING ACTIVITIES	325	12,561
Increase (decrease) in intangible fixed assets	(280)	(308)
Increase (decrease) in tangible fixed assets	(1,307)	(1,308)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	(838)	(2,080)
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	(2,426)	(3,696)
Other changes in reserves and profit carried-forward to shareholders'equity	672	(261)
Proceeds (repayment) of financial payments	3,929	(4,774)
Increase (decrease) in long term financial receivables	721	130
Financial incomes and financial charges	(2,461)	(3,693)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	2,862	(8,596)
CLOSING BALANCE	1,339	578